

MARCH 2023

LPM

LEGAL PRACTICE MANAGEMENT

Tech reimagined

What is the true value of legal tech?

DIGITAL CALIBRATION

The inside line on what tech means to SME legal businesses

COVERING THE BASES

What should law firms expect this insurance renewal season?

AUTOMATION MADE EASY

How a single integration helped a law firm automate its processes

Welcome

Has the time come to reimagine the value of legal tech in SME law?

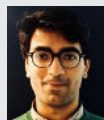
We've all read our fair share of articles about the value of legal tech and the future of the SME legal industry. In fact, the sector has made tremendous strides over the last decade – very notably during the pandemic. In this issue, we go back to the fundamentals, start from scratch and look at the same old tech from new perspectives.

The opening feature takes a deep dive into how different firm types and sizes view the role of tech in their business (p3). We learn the distinction between innovation and invention, and revisit the origins of knowledge work (p10). We ask what makes up the core tech of a firm (p12), and whether those systems are truly secure (p13). We also read of real transformation journeys that involve higher efficiency (p11) and easier automation (p13).

Also in the mix are insights on the risk landscape – what are the most common regulatory breaches in SME law? (p10). Are law firms expected to focus more on ethical work and behaviour? (p14). And, in a special feature for this issue, we speak to Brian Boehmer, partner at **Lockton**, about the current state of the professional indemnity insurance market, and how law firms should be gearing up for renewal season (p8).

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Digital calibration

LPM editor, Aftab Bose, asks SME law firms about the importance that tech holds for their strategic objectives

The future of legal services is often compared to the status quo in other sectors such as banking and healthcare – where customers may have access to ‘everything they need’ at their fingertips. Whether a transformation of those proportions is possible remains to be seen, and attitudes to technology – particularly in the SME legal space – are peppered along a vast spectrum. From traditional, high-street practices to specialist boutiques, and from well-established firms with historical legacies

to new-age, disruptive businesses – tech plays pivotal roles in operations and service delivery from one firm to the next. As the sector continues its arduous modernisation journey, firms are having to answer fundamental questions about the true value of tech to their business, while also grappling with the practical, technical and cultural barriers to transformation.

DIGITAL GRADIENT

Peter Ambrose is managing director of The Partnership – a specialist

conveyancing firm that prides itself on its use of technology to facilitate fast, efficient transactions for clients. He says there are varied and significant benefits on offer to firms that put tech at the heart of their operations: “One of the biggest advantages for us has been consistency – so many of our processes are captured electronically that our internal operations and client experience can continue unscathed even in the most difficult times, including during the pandemic.

“Digitalisation also ensures continuity amid the ongoing talent roulette. Firms that are losing valuable members of their team can transfer information to new people at speed as it’s all digitally recorded, helping them preserve knowledge and train up new recruits

effectively.”

With the risk landscape intensifying and insurance costs continuing to exert pressure, tech can help with compliance and risk management as well. Ambrose says: “Insurers view tech as a significant risk mitigator – using systems for anti-money laundering and other checks can lower the risk of error. We can record more efficiently and demonstrate due diligence too, surfacing any key information we need with speed and accuracy.”

The Partnership operates with what Ambrose describes as a ‘tech-first’ philosophy – where tech is the primary port of call when solving problems, digital skills form an important part of recruitment criteria and there is always scope to explore new tools on the market and how they can bring value to the business. The firm was founded in 2009 – an opportune point of time to adopt a tech-first approach from its very inception.

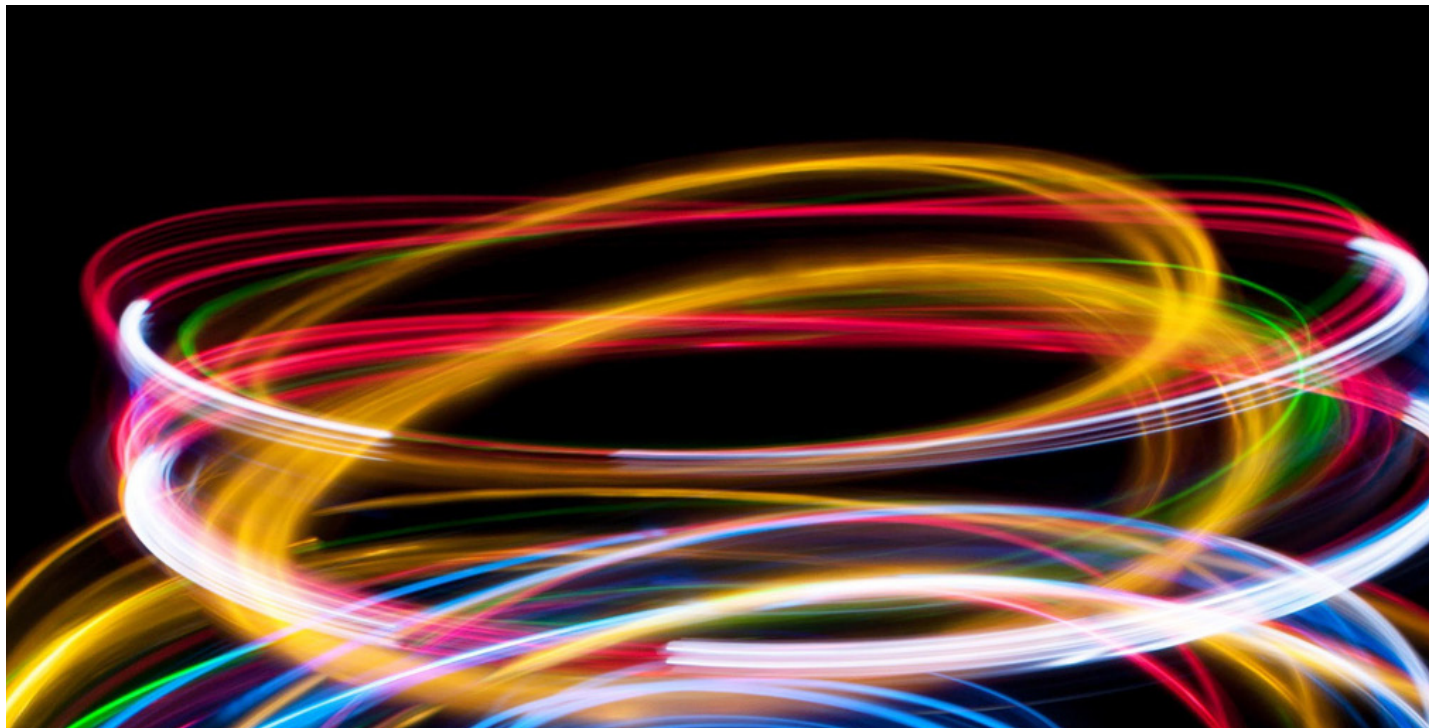
In contrast to this journey is that of Ellisons – a firm that was founded in 1764, and has had to transform itself digitally one step at a time as the world of legal services has evolved. The firm’s chief operating officer, John Turner, says: “It’s challenging for firms such as ours to completely reinvent ourselves as ‘tech-first’ due to our vast legacy, but we certainly see tremendous value in tech as an enabler.

“At the moment, we probably fall in

the middle of the pack when it comes to digital transformation – we were using a document management system and other remote working technology even before the pandemic, and have lots of other solutions that support key business functions. Our main focus is to have a holistic IT ecosystem – any new technology that we bring on must integrate with our practice management system and preserve our single source of truth.”

The team at Ellisons keeps a keen eye on the market for new solutions with potential, although any tech project goes through a rigorous review at board level before being implemented. Turner says: “We need to have a clear idea of the cost, time and resource investment that will be involved, but most importantly the board needs to be convinced of why we are undertaking a project. The question at the core of every project is: “What is the impact of not doing this project?””

The question is an interesting one, and something firms might struggle to answer. Turner reveals that, while his firm doesn't necessarily concern itself with the digital advancement of competitors, the fear of falling behind can be a powerful motivator to invest in new tech. Client demands for a more digitalised experience are another factor that may push a business in this direction – though even these expectations can vary based on a variety of factors.



NEEDS MUST

Not all firms give into the pressure to change – there remains a significant portion of the SME legal market that shies away from tech investment in general. Sarah Charlton, chief executive officer at Eaton-Evans & Morris says: “I know of several firms that simply have no interest in attracting new clients – they have steady relationships and are happy to preserve their cash. Their existing clientele doesn't expect them to change either.

“This might work for now, but it could lead to problems down the line when the existing clients move to retirement. Younger clients coming through want to purchase their houses and manage their affairs online, which might force the hand

of many firms.”

This generational shift, combined with the need to transfer knowledge amid a volatile talent market as characterised by Ambrose, and the digitalisation of government portals such as the Land Registry, are among the biggest factors driving the sector's evolution – sluggish as it may be. Ambrose says: “The way most law firms operate is far from ideal, but it's not quite broken enough for them to take the plunge and make large investments in tech. The more they struggle to keep pace with the market, the more inclined they will be to modernise.”

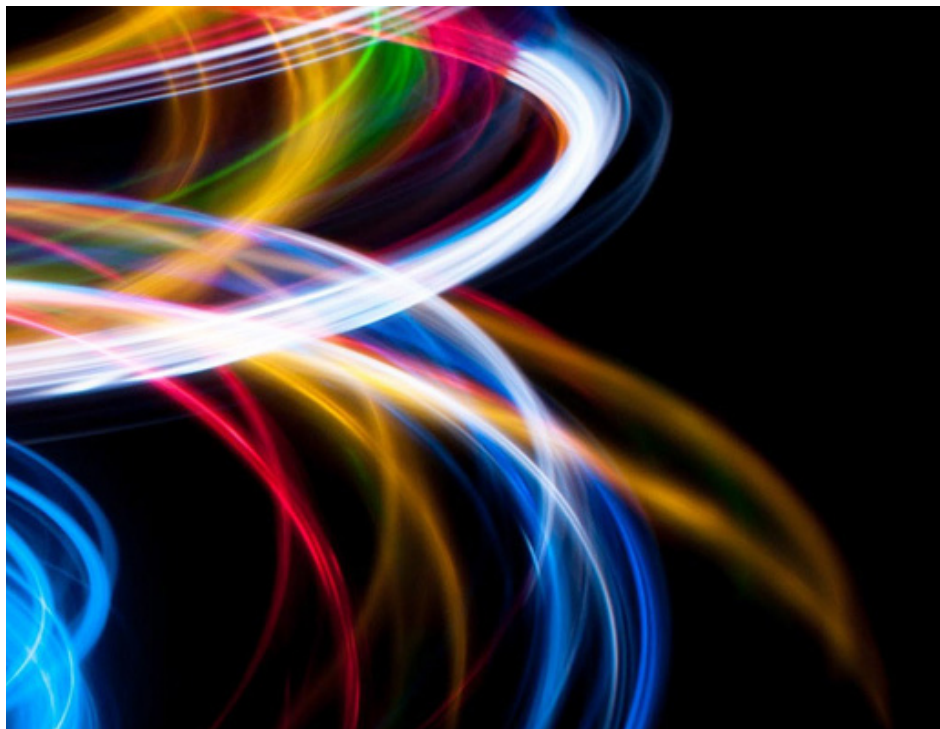
Charlton suggests there are several reasons for slow progress in this space, beyond the complacency described



“The question at the core of every project is: “What is the impact of not doing this project?””

**JOHN TURNER, COO,
ELLISONS**

above. “One problem is a lack of knowledge – when I speak to firms about how certain tools can save them substantial amounts of time and money, they're keen to invest straight away,” she says. “But most are simply unaware of what exists out there, and lack the



expertise to make the right selection.

“It doesn’t help to hear the horror stories about tech investments gone awry. The price of most core systems, and the subsequent annual outlays on maintenance, is a heavy cost to bear for firms in the SME bracket. If a firm purchases a system that doesn’t serve its needs, or – as often happens – the implementation support from the providers is insufficient, it can mean a drawn out and expensive struggle.”

There are ways for firms to mitigate these risks. Stepien Lake is a niche commercial property law firm, where tech has always played an important role in building efficiencies – the firm has had its own app and a proprietary



“A lot of our people have been with us for a number of years, and they’re our most important asset – irrespective of their digital prowess. With this in mind, no matter how impressed we are with a new tool on the market, the most important criteria is whether it will tangibly benefit our users.”

DAVID JACKSON, CHIEF TECHNOLOGY OFFICER, STEPIEN LAKE

extranet for a number of years. The firm’s chief technology officer, David Jackson, also explains how the business took a measured approach when first investing in the cloud a few years ago.

He says: “The price of entry for cloud was quite expensive at the time, and there were very few case studies to learn from. We knew there was a big risk involved with putting everything into the cloud in case something went wrong, or the costs spiralled out of control. So we dipped a toe in first – moved some peripheral work into the cloud that would produce immediate benefits such as backup and security. Things gathered momentum from there, and we gradually moved more systems over.”

According to Ambrose, the availability of more systems on a Software-as-a-Service basis means that an increasing number of firms can experiment with new tech without a significant outlay at the start. He says: “It boils down to awareness and mindset – firms need to make the time to see what’s out there.

The standard approach is to look at processes and see how technology can replicate or improve these – but for us, being tech-first means fully understanding what a new tool on the market can do, and then figuring out how it can help us. That’s when firms can really discover new ways of working.”

THE ART OF CHANGE

That said, benefiting from technology is not as simple as buying the right solutions

– no matter how well they might fit a firm’s needs. The Partnership ensures, through recruitment and training, that it’s people have a tech-first mindset, which instils a certain degree of confidence that employees will know how to make the most of new solutions. Not all firms have this luxury – in fact, cultural and behavioural rigidity are some of the biggest blockers to realising return on tech investments.

Turner explains: “There are varied attitudes in our firm. Younger lawyers and trainees who join us have a very good digital skillset – they’re very happy with document management systems, speech recognition dictation systems and templates on their laptops, for instance, and have a good understanding of what our solutions can do. But there are others, at various stages of their career, who continue to rely on paper and administrators – they don’t always see the need for change even if we communicate that we’re trying to make things more efficient.”

Having recognised these challenges, Jackson explains that his firm’s approach to transformation can best be described as ‘people-first’ rather than ‘tech-first’. He says: “A lot of our people have been with us for a number of years, and they’re our most important asset – irrespective of their digital prowess. With this in mind, no matter how impressed we are with a new tool on the market the most important criteria is whether it will tangibly benefit our users. There is a plethora of solutions

out there to choose from, but there isn't any point onboarding new technology if users are only going to use a small percentage of it – if at all.

“For us, a return on tech investments isn't a tangible sum of money that we receive or save, but it's a better day-to-day experience for our users. With some caveats, in the debate between what might be more efficient for the firm in the long run and what would be better for our people – the latter consideration will largely win out, unless adopting a particular tool is a matter of regulatory necessity.”

Driving people to use and make the



“The first changes we introduced had nothing to do with tech – we started with room and office moves, and then kept introducing small changes every two or three months until it became normalised. Over time we've been able to build trust that the new ways of doing things are working.”

SARAH CHARLTON, CEO, EATON EVANS MORRIS

most of technology partly concerns the value of the solution in question, but it also hinges on how change is managed within the organisation. According to Jackson, timing is crucial. “People are juggling all kinds of pressures – from clients, regulatory obligations, legal changes and even their personal lives. The last thing we want to do is throw a new piece of technology at them if they don't have the time to learn about it. We've had instances where we delayed the rollout of a particular solution to pick the opportune moment that would allow us to get the most traction.”

There are other effective strategies for change management. Charlton says the pandemic was a catalyst for

modernisation at her firm, and she has been able to use the momentum from the sea changes that took place over the last two years to continue the transformation journey.

She says: “Prior to the pandemic, the firm hadn't undergone any significant change for at least a decade – not even desks or carpets. The first changes we introduced had nothing to do with tech – we started with room and office moves, and then kept introducing small changes every two or three months until it became normalised. Over time we've been able to build trust that the new ways of doing things are working, which gives us impetus to push on. Equally, we haven't been shy to admit if something new isn't

successful – we go back to the drawing board and explore other options.

“When it comes to technology, we ensure all change is incremental. We normally test everything out with a diverse focus group of sorts – with people of various ages and job roles – and iron out the creases before implementing a company-wide rollout. After that, we're very open with the team, in that we understand the challenges they might have with adapting, and we revisit the solution if it's still causing problems within four weeks.”

As SME law firms across the UK chip away at older attitudes and ways of working, the sector will slowly but surely become more open to technology. Turner says: “It is a continuous process, and we'd like everyone in the firm to be thinking in a tech-focused way. The pandemic certainly accelerated this process, but there are still minds to change within the business.”

In the meantime, tech-driven operations such as The Partnership are experimenting with new and exciting opportunities emerging on the market, including the use of GPT-3 to analyse, interpret, summarise and draw conclusions from documents at a sizeable scale. No doubt, the use of technology varies from one firm and specialism to the next, but there is vast potential for businesses in SME law to reinvent the way they work. **LPM**



A winning people strategy



Gillian Nash-Kennell, HR director at Roythornes, highlights the importance of individual freedom and recognition in law firm culture

Roythornes was recently awarded the Gold accreditation from Investors in People for its great workplace culture, and we believe our culture has played a critical part in our ability to retain talent. "Treat others how you wish to be treated" is the common saying, but at Roythornes we champion the approach of treating everyone how they wish to be treated. This approach is reflected in the way our solicitors work with their clients, as well as in our company culture, which guides how we treat one another.

There is an endless list of elements that create a winning culture, but individual freedom and recognition should be at the front. This is one of the reasons we currently have 10 members of staff with us who have returned following a period elsewhere, and more than 100 new faces that have joined us in the last 18 months.

Where some firms focus too heavily on financials and suffer from working in silos, our commitment to flexibility allows individuals to work most effectively, meet their desired work-life balance and reap the benefits of collaboration. Most solicitors will agree that there are multiple solutions

to most problems and the law is open to interpretation, so the workplace is often improved by access to a range of resources. Making sure this is reality all starts with culture.

We make everything accessible – whether it's our competency framework, created to aid performance reviews and provide a roadmap for professional progression, or it's the two annual company-wide events that bring all five offices together.

Our Investors in People award revealed that 94% of our people agree that their role enables them to work well with others, which we believe to be the result of various initiatives put in place to ensure every individual can reach their potential.

Our culture plays a role from day one, but our belief that one size does not fit all means that the goal posts are constantly shifting. Yes, we have values – which 94% of our people also state that they know – however, as the world that we live in changes, so do the expectations of progress. **LPM**

Continue reading about building a winning culture in your firm on the LPM website

Innovation is a constant



Adam Bullion of PracticeEvolve talks invention, innovation and collaboration between suppliers and law firms

Today, Microsoft announced it is set to retire Internet Explorer and drive people towards its latest browser, Edge. Incredibly, you would expect Internet Explorer to no longer exist but there are still a significant number of users who continue to use it. Despite the impact of Chrome, Safari and others, Internet Explorer and Edge remain popular, making Microsoft very successful. Microsoft is recognised as an innovative company that continues to deliver success and it made me question how businesses can also constantly innovate and deliver success.

So, let's start by ensuring we know the difference between inventiveness and innovation because, in my experience, the two can be easily confused. Invention is to create or discover something new while innovation is the act of making changes to an existing product or process. It's important to recognise the difference.

An innovation can be small or large. I'm unsure when the suitcase was invented but I certainly remember going on holiday as a child and my parents would carry two very heavy suitcases around the airport as we struggled to find a trolley. It was Bernard Sadow, who in 1970 had the remarkably obvious idea of putting wheels on the bottom of them. It was another

20 years before Bob Plath innovated further by placing more wheels and a retractable handle. Neither individual had a momentous idea, they just succeeded in presenting a relatively simple solution that addressed many challenges.

There is no real difference in the legal world. As a legal technology provider, we understand the importance of constantly innovating within the software. Our software is customisable, which allows firms to create and constantly tweak workflows in order to work smarter. It's probably something you do regularly and, if you are constantly updating workflows, you are being innovative. PracticeEvolve understands the challenges faced by law firms. **LPM**

Read more about the distinction between invention and innovation on the LPM website

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Covering the bases

What will underwriters be most interested to learn about your firm this renewal season? Brian Boehmer, partner at PII specialist Lockton, offers insight into the state of the market



The Spring renewal season is underway, and, though there are signs of an improving professional indemnity insurance (PII) marketplace, law firms need to guard against complacency in the weeks ahead. Despite an increase of appetite, underwriters will remain cautious, with a studious eye on the state of the economy. Brian Boehmer says: "History tells us that if we fall into a dark recession, which is a possibility, there will be an increase in claims activity, so insurers have to make sure to cover their costs."

FLUX AND FLUCTUATION

Inflation, too, is exerting its upward pressure on premiums, though Boehmer suggests that the risk exposures are increasing faster than the premiums are – as has been the case over the last two decades. He says: "If we look at figures from the Office of National Statistics, the average house price – a useful benchmark for asset values – has increased three and a half times since the open market began in 2000, which has a bearing on law firms' risk. But insurance premiums have not

increased at the same pace as the risk compound."

The most substantial jump came in the wake of the pandemic, when the value of claims actually exceeded that of premiums collected – forcing insurers to implement steep pricing corrections across their portfolios. Rate increases won't be nearly as high this renewal season, says Boehmer, who describes the current state of the PII market as being "in flux."

Having corrected itself after the pandemic, the market is expected to benefit from new players and capacity this year, though unfortunately not in time to positively impact April renewals. The current PII landscape remains particularly challenging for certain segments of lower-income law firms that engage in high-risk work. "They have options, but not as many as practices with higher fee incomes, low-risk or diversified practice areas and a history of infrequent claims," says Boehmer, who also notes a degree of regional bias – firms in the south typically deal with higher asset values

and can consequently be less attractive propositions for underwriters owing to the increased potential risk.

For all practice types, one trend that is gathering momentum is co-insurance – where two insurers share the risk and reward of covering a particular firm. According to Boehmer, this is a popular option for insurers with growth ambitions – they can reach a wider share of the market while minimising their exposure, albeit at the cost of sharing the rewards. Given the historical correlation between recession and claims activity, this is a price many are willing to pay. Movements like these might create a more active insurance market and give firms and brokers some negotiating power – provided they approach their applications with the necessary rigour. Underwriters will be putting practices under heavy scrutiny, particularly if the latter are subject to recessionary pressures.

CHECKS AND BALANCES

Boehmer expects that financial health will be in the spotlight – not just of firms but

of their clients as well. If a firm's clientele consists of businesses that are directly affected by ongoing geopolitical or economic circumstances, that significantly increases their risk profile.

Another concern for underwriters is sideways exposure. Boehmer says: "If there is a single mistake on a particular file – the error could end up being repeated every time the file is duplicated. Litigation and conveyancing are some examples of areas that are particularly vulnerable to sideways exposure, and insurers will be especially vigilant about this."

"Supervision and protocols more widely will be under scrutiny – insurers will be mindful of how workloads have been and continue to be managed amid high conveyancing volumes, as well as the health and wellbeing of associates during these periods. Cyber insurance policies are also a plus when it comes to PII, though these need to be supplemented with strong internal security measures such as multi-factor authentication to access systems and data – particularly in hybrid working models."

And, continuing a trend from the October renewal season, some insurers are likely to introduce partner guarantees for firms that specialise in financial mis-selling. Boehmer says: "There are question marks around the moral intentions of some practices, and concerned insurers are asking for a partner or owner guarantee to protect themselves from any potential fallout and/or run-off exposure."

BEST FOOT FORWARD

It's clear from the level of scrutiny that insurers are being very cautious about where to deploy their additional capital. As such, firms not only need to have stringent risk management strategies in place, they should also take control of the narrative being formed about their practice. Boehmer says: "We can all agree that first impressions last – once an opinion is formed, it becomes very challenging to reverse. Underwriters have an appreciation of risk, but they are insurance professionals and not lawyers – they could possibly form an incorrect view of a firm, which would unnecessarily complicate negotiations."

"Firms can head this off by including in their application a complementary note – a brief document that clearly educates the insurer about their practice, complete with the type of work undertaken and the risk controls in place. Brevity is crucial – I can probably state on behalf of every underwriter in the market that they don't want to see an office manual with every policy and procedure at a firm. But a concise, data-backed overview that can outline why a firm is less likely than direct

peers to face a claim can help ensure that underwriters' perception of the practice is based on fact."

Boehmer equates a complementary note to a shop window, and lauds it as an opportunity for firms to proudly display their accomplishments. It can be a time and resource-intensive task to prepare such a presentation, but subsequently it just needs minor adjustments each year and can secure a positive outcome to one of the most important annual purchases made by law firms. The end goal is to have several insurers competing to cover a firm, which can certainly yield favourable terms.

"Underwriters have an appreciation of risk, but they are insurance professionals and not lawyers – they could possibly form an incorrect view of a firm."

BRIAN BOEHMER, PARTNER, LOCKTON

TRIPARTITE RELATIONSHIP

A crucial part of a broker's role, says Boehmer, is to make sure that firms are putting their best foot forward. "We're not postal workers – it's our job to read and sense check complementary notes and give firms feedback when required. A good narrative can help us negotiate a

good deal for our clients."

And there is far more value on offer from brokers such as Lockton. Boehmer describes the tripartite relationship between firms, insurers and brokers. Firms might well benefit from having a direct line of communication with an insurer – they can understand exactly what is required of them to build a good application. But, equally, a direct relationship can become a hindrance if the two parties are not on the same page – in the event of a claim, for instance, if a firm isn't happy with the strategy being adopted by the insurer. Or, if a big insurer with multiple clients moves in a direction that doesn't suit an individual client.

"This is where an intermediary can use its leverage to change the dynamic and either challenge the insurer or reassure the client that other firms are going through similar difficulties. We can educate clients about how to minimise the impact of economic developments, while also offering access to a wider market,

which puts them in a stronger negotiating position. As for our relationship with insurers, this extends beyond renewal periods – we have mid-term reviews with underwriters that can help us speed up the process of renewal when the time comes."

Brokers offer expertise with a service mindset, which can be of tremendous support for firms at a time when the insurance market remains in a state of change and uncertainty. And, to end on a positive note, Boehmer does see a more active, competitive PII market on the distant horizon. **LPM**

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Law firm non-compliance



Brian Rogers of Access Legal uses data on SRA and SDT breaches to analyse trends in law firm non-compliance

Our recent webinar on law firm non-compliance looked at the main breaches found within law firms, both from our own file audit work and in cases handled by the Solicitors Regulation Authority (SRA) and the Solicitors Disciplinary Tribunal (SDT).

REGULATORY OBLIGATIONS

The SRA is very clear in its high-level thinking about what it expects of those it regulates, namely, "The SRA principles comprise the fundamental tenets of ethical behaviour that the SRA expects all those it regulates to uphold."

The seven SRA principles should remain at the forefront of the minds of all those employed within law firms, as it will be against these that their conduct will be measured.

You must act:

- In a way that upholds the constitutional principle of the rule of law, and the proper administration of justice
- In a way that upholds public trust and confidence in the solicitors' profession and in legal services provided by authorised persons
- With independence
- With honesty

- With integrity
- In a way that encourages equality, diversity and inclusion
- In the best interests of each client.

A key issue to be remembered is that where there is a conflict between different principles it is those that safeguard the wider public interest that take priority. For example, you can't rest on acting in the best interests of your clients if to do so would mean you weren't upholding the rule of law.

REPORTING NON-COMPLIANCE

Under both SRA Codes of Conduct firms and individuals have obligations. **LPM**

Read more about trends in law firm non-compliance on the LPM website

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Knowledge, past and future



Jack Shepherd of iManage retraces the origins of knowledge work to understand how it has (and will continue to) evolve

Knowledge work is not a new phenomenon. Peter Drucker coined the phrase 'knowledge workers' way back in 1959 in his book *The Landmarks of Tomorrow*. It was created to distinguish manual work and 'knowledge work', the latter being work that primarily involves the use of knowledge and creativity to solve problems and create value.

Today, 64 years later, does that definition of knowledge work still stack up? Despite massive change and innovation, the goals of knowledge work should remain true, though, I can't help but feel the added weight of expectation for the modern knowledge worker. Legal professionals are now expected to actively share their knowledge and expertise with their colleagues in order to contribute to a collective knowledge that benefits the entire firm. We're team players, but getting knowledge workers to share knowledge can be like getting blood out of a stone.

Is personal knowledge management the missing link? While we rely on the omniscience of the internet at our fingertips more than we'd like to admit, it's how and what is stored in our brains that might be the missing link in the knowledge economy.

Muhammad Mustafa Monowar, an EMBA Student at the University of Liberal Arts Bangladesh, writes in *The Business Standard* that, to solve big problems, organisations need savvy employees that may benefit from adopting an approach called personal knowledge management (PKM).

By doing so, individuals create habits that could lead to an "exponential accumulation of expertise over one's lifetime," making these individuals highly productive and intellectual. Monowar says that this approach could be the missing link we require to integrate ourselves with new sources of information and to help harness the flow of knowledge. **LPM**

Read more about the past and future of knowledge management on the LPM website

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Scale and grow

Sophie Holdsworth, operations director at Farnworth Rose, outlines the efficiency, growth and reporting benefits her firm has experienced in partnership with Osprey Approach

Established in 2007, Farnworth Rose Solicitors provides legal support to people across Lancashire and the northwest. With over 25 employees, the team offers a range of client-focused services comprising conveyancing, commercial property, family, employment, wills and probate, litigation, and personal injury.

Farnworth Rose Solicitors implemented Osprey Approach when the firm was established 16 years ago. Since then, the team have used the case management solution daily to help manage their clients and workloads across all its departments.

Sophie Holdsworth, operations director, joined Farnworth Rose in 2011 and has worked closely with Osprey Approach since. "We've had Osprey since the beginning, and it's evolved over the past 16 years. We've put a lot of work and time into the system and worked closely with the team to develop it to where we want it to be."

A digital strategy and a continuous improvement mindset have helped long-

term growth and success

Farnworth Rose started out as a team of four, and now with over 25 employees the firm has embedded a mindset of continuous improvement that has helped them to adapt and succeed over the years. Streamlining their operations and focusing on technology is a priority for Sophie, as she explains: "We're always looking to improve efficiencies across the board in every department. The automation side of Osprey – using workflows that help to standardise everything – assisted us with that. We're currently in the process of reviewing and improving existing workflows and creating new work types and workflows. This is to ensure each department and work type runs in an efficient and uniform way, in line with the firm's values as well as helping to mitigate risk factors. We implemented a brand-new management structure in 2019, which has assisted with the development of these. "Osprey is on the agenda for every monthly meeting so anyone can



share feedback, suggestions, and ideas. We're very conscious of developing the software and keeping it right for us. We're always trying to keep up with technology, so we use the majority of Osprey to its full potential, although we know that there is always room for improvement."

A centralised case management solution helps to connect the team

Knowing where to find firm-wide data, documents, and files helps to streamline processes across departments and makes organisation easier for legal support staff, and visibility clearer for management.

"Absolutely everything is saved into Osprey, including all emails, post, attendance and file notes, risk assessments and anything that is dropped off by clients," explains Sophie. "We have one department that is now paperless

and fully relies on the software. Osprey is everyone's first point of call and we have significantly reduced the amount that we print, so the system is integral to every department.

"The fact that everything is centralised and in one place massively helps. **LPM**

Read more on how Farnworth Rose built efficiencies with Osprey Approach on the LPM website

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Culture drives change



Change management needs to form a core aspect of a law firm's culture, says Kaden Smith of NetDocuments

Today's rate of change is near constant, and change can be difficult regardless of your firm size. And, whether you have an on-premise system where updates come every several years, and IT teams spend months testing and planning for them – or a cloud-based technology with updates released frequently – it's critical for your business to understand the foundational principles of change management and how to navigate the "people" side of change.

THE CHALLENGES OF CHANGE

Some law firms might not have been diligent about keeping up with technology advancements, while others have team members who are change-averse (which agrees with lawyers' tendency to be risk-averse). Whether changes are big or small, they come with a range of potential challenges, including:

- Underutilised features and functionality
- Frustration as people navigate the new
- Lack of adoption and loss of ROI

Adaptability, leveraging technology to improve processes, and resilience are key strengths needed to thrive

in today's business world. To keep up with the pace of change and stay competitive, law firms should develop processes that help people embrace their firm's latest technology changes, and thrive as a result.

FOUR STEPS TO A SUCCESSFUL CULTURE OF CHANGE

For those interested in diving into the world of change management, there are numerous certification courses available, including those by Prosci and the Association of Change Management Professionals. But for most of us, these four steps can be effective. **LPM**

Read more about the cultural side of change management on the LPM website

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Complacency breeds risk



A dangerous complacency has set in among law firm and cybersecurity professionals alike, says Nick Hayne, head of professional services at Quiss

Given the news is full of stories covering the cost-of-living crisis, the war in Ukraine, strikes and the dire condition of the UK economy, one could be forgiven for believing cybercrime is a thing of the past and organisations can relax a little.

However, in reality the opposite is true, especially for those organisations that rely on huge amounts of often sensitive information, such as law firms. There is evidence that fatigue has set in among cybersecurity professionals, who have been in a heightened state of alert for the last five years.

Now the cybercriminals are exploiting this security fatigue to target not just law firms, but the wider ecosystem of support they rely on, including external service providers and organisations that work is outsourced to.

Law firms are facing sustained and repeated attacks from increasingly sophisticated criminals, who face little risk of being caught and punished for their activities. While we often hear about the 'war on drugs', there is little government action against the hackers, with the focus on organisations protecting themselves, rather the authorities pursuing the criminals.

NO RISK AND BIG REWARDS

And the return on investment for criminals is much higher when compared to other activities like drug or human trafficking, so the focus on cybercrime and law firms in particular is not surprising, with attacks often being state-sponsored and well-coordinated. Since the invasion of Ukraine, Russian-based phishing attacks targeting European and US-based businesses have increased eight-fold.

All of which makes law firms an increasingly attractive target, thanks to the potential to divert funds and also to steal or ransom the confidential corporate information. **LPM**

Read more about avoiding complacency when it comes to cybersecurity on the LPM website

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Automation made easy

Kelly Hind, partner at Hewitts, outlines how the InfoTrack and Linetime integration has enabled her firm to save time while also promoting flexibility and accuracy

For many law firms, Hewitts Solicitors' story is not hard to believe. Prior to integrating InfoTrack and Linetime, their processes were manual. Like many traditional methods, searches were emailed back to them, requiring them to drag, drop and save files. Folders were stored on servers onsite and a bank of precedents was available for staff to access. And everything was archived the old way – as paper files. That all changed with the introduction of Linetime, their case management system, and optimising their technology solutions through integration with InfoTrack. Kelly tells us how their workflow has drastically improved since adopting the integration, saving their entire team hours across every matter.

"With the integration, now everything is automatically there. It's a click of a button to attach files to an email rather than going and finding it and dragging and dropping," says Kelly, adding that fewer clicks make everyone's day significantly easier.

Not having to log on to different

systems is also a game changer. By using a single source of truth, it minimises risks and errors such as adding the wrong plan to the wrong client, since everything is exactly where it needs to be. The post-completion team are especially enjoying the benefits of automation, where Kelly shares that the function of renewing the OS and the integration with LMS has already received rave reviews within their department, being described as "invaluable". This additional integration with LMS is making a big difference to the day-to-day management of their property transactions too. "The automated renewal of the priority searches automatically tells LMS what's going on, so we don't have to think about it," says Kelly.

BRINGING THE BUSINESS TOGETHER

Despite several years of physical disconnection, the team are more connected than ever before. Whether the team are working from different offices or home, the ability to access their files from anywhere, digitally, has dramatically improved collaboration.



Kelly comments, "The processes before were very convoluted. It's easy to do file reviews across offices. It has brought us together as one department rather than four different offices.

"Your whole case is there. Your searches are there. You can draft reports, you have everything there at the touch of a button. Whereas, previously, it may or may not have been saved into the electronic file," she adds.

Knowing the information they need is accessible when they need it, from anywhere, has transformed how the team at Hewitts work and has improved the scalability of the firm. As a result, they have been able to take on more clients because they're not having to spend the time on administrative tasks. Now, they're able to better focus that time on providing greater value to existing clients and winning new ones.

TIME-SAVING MAKES AN IMPACT

From the search function and digitised post-completion processes to the integration, Hewitts has seen time-savings. **LPM**

Read more on how the InfoTrack and Linetime integration helped Hewitts on the LPM website

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Let's get ethical



Firm leadership is expected to take a more proactive approach to ensuring ethical working, says Susan Humble of RIAA Barker Gillette

The Horizon scandal, described by the BBC as “the most widespread miscarriage of justice in UK history”, has intensified the debate about ethical conduct. Between 2000 and 2014, 736 Post Office branch managers were convicted of criminal offences when Fujitsu’s faulty Horizon software (which was mandated for use in sub-post offices) wrongly created the impression that money had gone missing from accounts under their stewardship. Some victims went to prison, many encountered financial ruin, some died or suffered from serious physical and mental illness. After a long battle and many years, convictions were overturned, a group civil litigation action commenced and the government set up a compensation scheme (too little, too late for those whose lives had already been ruined).

On 14 October 2022, the Solicitors Regulation Authority (the SRA) published a brief statement on its role as a ‘core participant’ in the ongoing Statutory Inquiry into Horizon, after government and media pressure to state what it was ‘doing’ about the solicitors involved. The statement read: “Our focus is on individuals and firms

we regulate working on behalf of the Post Office/Royal Mail Group. We are considering the judicial findings in the group civil litigation. In respect of the criminal prosecutions, we are assessing whether individuals we regulate fulfilled their duties and ensured the prosecutions were carried out fairly and information and documents were disclosed when required.”

Socrates, who met his end via a hemlock cocktail, suggests asking – “what ought one to do?” about any ethical situation in life where there is a choice of actions. “Every action has its pleasures and its price,” he said. Our primitive lizard brains tend to focus primarily on pleasure and less on price. This is described as the “chimp in action” in the brilliant book *The Chimp Paradox* by Professor Steve Peters. The lawyer chimp brain sometimes finds juicy work instantly attractive although it smells off. The rational human brain must step in to take control, to ask “what’s the potential cost of this job in ethical and reputational currency?” **LPM**

Continue reading about expectations of more ethical working on the LPM website

A look at core tech



A look back at episode one of LPM Tiger Team 2023, in partnership with NetDocuments – firms discuss their core business systems

Legal tech is a prolific industry – new tools, solutions and versions of varying abilities arrive on the scene at a faster pace than many law firms are capable of monitoring. Choosing the right systems while also managing internal operations, client work and wider economic developments is already a significant challenge. And once the choice is made for better or worse, implementation is a whole new journey riddled with its own challenges such as integration, adoption, utilisation and more.

These are some of the challenges that were under the spotlight during the first episode of LPM Tiger Team in partnership with NetDocuments – a series of problem-solving webcasts where a set of SME legal leaders bring a diverse range of expertise to analyse specific tech pain points. Key questions addressed on the webinar included – ‘what constitutes a firm’s core technology?’ and ‘how can firms make the most of the tech they have onboarded?’ Our panellists, or ‘Tigers’, have all been in charge of major tech investments – they shared their top tips and experiences.

For Alan Cousins, practice director at Paris Smith, a key dichotomy that comes up when selecting core tech is whether to opt for a ‘one-stop-shop’ solution that

serves multiple functions, or pick a variety of tools that are ‘best-of-breed’. Each comes with its own perks and challenges. Cousins reveals that Paris Smith recently moved from the best-of-breed approach to a single solution for multiple functions – mainly to ensure that the change would have a tangible and widespread impact. The downside of this approach is that firms are at the mercy of the provider’s own intentions and roadmap.

According to Cousins, it’s crucial to understand whether a tech company has a long-term vision to develop its product, or whether it’s looking to achieve a certain reputation and then merge with a bigger company – the latter can cause significant disruption **LPM**

Read more about the good, the bad and the ugly of core business systems on the LPM website

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Rethink firm systems

Certain go-to systems and tools used widely by law firms have significant pitfalls when it comes to compliance and security, says Peter Wright, managing director of DigitalLaw.



The provision of legal services by definition involves large volumes of personal data, from client confidential information, commercially sensitive documents and employee salary to training, HR, and benefits information. Effective communication, particularly with staff working from multiple locations through home working, remains essential both internally and externally and often now takes place across multiple platforms.

Given the critical importance of data and secure communications to the provision of legal services, it is surprising that often multiple overlapping systems are used across organisations with no real over-arching strategy having led to their widespread use. Many organisations had to adapt to enabling working from home at pace in 2020 and began using systems that ordinarily a due diligence process would probably have eliminated from consideration. What systems should highly regulated organisations

provisioning legal services be avoiding, and what regulatory and compliance issues need to be borne in mind when making tech procurement decisions?

Internal communications – do not allow the use of WhatsApp or WhatsApp groups amongst staff for business-related purposes. Even though it is encrypted, WhatsApp is simply not a secure enough platform to be suitable for use in a highly regulated profession such as the provision of legal services. WhatsApp stores copies of all WhatsApp messages on its servers and has fallen foul of GDPR Data Protection fines on multiple occasions, being fined almost a quarter of a billion euros in 2021 and another five million in January this year for persistent failings in complying with GDPR.

However, it isn't just a problem from a legal and regulatory perspective. The UK National Cyber Security Centre (NCSC) strongly recommends against the use of WhatsApp for business purposes. A

better alternative, which does not have any servers containing copies of your messages getting in the way, is Signal, which is encrypted between the sender and receiver's handsets and allows for instant messaging and file sharing while also offering a useful desktop app.

External communications – can you offer clients an alternative to email?

Does your case management system provide a secure means to communicate with a client? Do not assume that certain clients will be resistant to the use of technology. Some of our clients who are semi-retired have been the keenest to embrace the use of secure messaging integrated within our case management system through mobile apps and do not access email regularly.

Do not start using an app or communications system just because a client expresses a preference for it. Many firms start using apps, for example the Telegram messaging service, because a

client expresses a preference to use it and firms go along with this out of a desire not to upset the client. However, sometimes it can be worth pushing back against a client in their own interest.

The Telegram app, like WhatsApp, is completely unsuitable for providing a highly regulated service like legal advice. The NCSC is even less keen on Telegram compared to WhatsApp. If a client perceives Telegram to be not only convenient but also secure, they are very much mistaken. Sometimes firms are reluctant to push back against a client for fear of losing them, but, in this instance, a client should respect a firm that insists on communicating legal advice through the securest possible channels. In the same way, the open access free version of Google Docs should not be used for sharing documents with clients just because it is convenient for the client.

Printers. Many brands of printer store a copy of every single document

that is printed on them, which, in the case of a multi-function printer in a busy office, could be hundreds of thousands of confidential documents. When that printer leaves the office, it will potentially take that record of confidential documents with it, and a hacker undertaking reconnaissance of an organisation will be provided with a treasure trove of information from which to seize personal data or confidential data or from which to pinpoint weaknesses in a system and target an attack in a manner that could cause maximum damage.

Video conferencing. Zoom has cornered the market as the easiest to use and most flexible video conferencing platform, useful for conference calls as well as presenting seminars and online conferences. However, its early history was problematic – Zoom faced a class action lawsuit in 2019 from its own investors, who had found assurances made to them and to the market over the way that the platform stored user data to be incorrect, with encryption not in being in place despite assurances to the contrary and the use of servers in China raising questions.

Since then, assurances have been given that the platform meets the necessary standards, such as GDPR, but recent GDPR enforcement against Meta, Amazon, Google and other large tech firms has demonstrated that assurances often do not stand up to scrutiny.

The point here is that for the delivery of a highly regulated service such

as legal advice, we cannot use any products or platforms that leave room for doubt, and Zoom is one of these. Microsoft Teams may be clunky by comparison, but it does demonstrate the necessary compliance.

Microsoft. “Everyone else is using Microsoft 365, so clearly it is the best option and the only question is clearly not if but when we adopt.” Not necessarily. Microsoft can be slow to innovate, and unreliable. The fact that it is used so ubiquitously means that armies of hackers spend their time trying to search for vulnerabilities that can be exploited, which brings us to the following.

Patching. Microsoft is forever issuing patches and security updates to its products as vulnerabilities are discovered.

However, be aware that some vulnerabilities can remain open to exploitation for a significant period of time before Microsoft issues its patch, as happened with the Microsoft “Follina” exploit last year, which took some 14 days to be patched. Some IT providers put together their own security patches in the interim for their customers, but the majority were left with a major vulnerability in their systems for the better part of two weeks.

Bring your own device (BYOD). The fashionable trend of staff using their own IT equipment to carry out their work rather than having to use bulky old legacy laptops and desktops was dying on the vine before the pandemic and

should no longer be a realistic option in a highly regulated organisation providing legal services. This is due to the difficulties in IT being able to ensure that the various differing platforms used by staff would be demonstrably secure, not to mention often unstable with various operating systems being used.

Firms need to provide staff with the necessary laptops, phones, tablets or other equipment to allow staff to do their jobs, and even a small firm should be able to find an IT supplier who can facilitate this without breaking the bank, hopefully spreading the cost of new hardware.

Case management/practice

Management. Always an important procurement decision –no one ever wants to take responsibility for these as every office always seems to be carrying multiple inefficient systems that are legacies of previous decisions that echo across firms for decades to come.

Like any important decision, don’t be reeled in by sales promotional patter from a rep who is on commission and a sales target, take your time and work with colleagues to reach the right decisions.

Make sure that the right questions are asked of suppliers before anyone signs on the dotted line, and if you can’t get satisfactory answers to the following questions and points, you should consider walking away:

- What security measures are in place? this includes encryption and multi-factor identification (MFID)
- Where will your data be held? That’s to say, where are the servers located, and, if located outside the

UK/EEA, are the appropriate safeguards in place?

- When you are offered terms by the supplier, make sure you are not locked into a long, fixed-term contract – ensure there is a break clause without a hefty termination fee
- Does the platform meet basic regulatory standards as required by the SRA, ICO and other applicable regulators such as the FCA depending on the activities of your clients?
- Is the platform cloud-based?
- Does the platform offer integrations with some of the existing systems that you may already be using?
- Does the system allow for files of any size or format to be uploaded?
- Ask the developer if any new functions have been added to the platform over the last 12 months.

Technology should make the operation of a highly regulated provider of legal services easier, not harder.

It should not restrict, it should not annoy its users, and it should not get in the way of getting the job done.

Following some of the tips above should mean that you are using the right platforms that are not exposing the organisation to unnecessary risks from a regulation and compliance perspective, and should ease your path to using technology to help, not hinder, your business. **LPM**



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